Kentucky State Income Tax Information

State Abbreviation:	KY
State Tax Withholding State Code:	21
Acceptable Exemption Form:	K-4
Basis for Withholding:	State Exemptions
Acceptable Exemption Data:	0/Number of Exemptions
TSP Deferred:	Yes
Special Coding:	Determine the Total Number of Allowances Claimed field as follows: **First Position** - Enter 0 (zero). **Second and Third Positions** - Enter the number of exemptions are claimed.
Additional Information:	None

Withholding Formula ▶(Effective Pay Period 06, 2013)◀

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program and Flexible Spending Account - health care and dependent care deductions) from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (i.e., taxable life insurance) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 26 to obtain the gross annual wages.
5. Subtract the standard deduction of ▶$2,360◀ from the result of step 4 to compute the taxable income.
6. Apply the taxable income computed in step 5 to the following table to determine the annual Kentucky tax withholding.

Tax Withholding Table

If the Amount of Taxable Income Is:		The Amount of Kentucky Tax Withholding Should Be:			
Over:	**But Not Over:**				**Of Excess Over:**
$0	$3,000	$0	plus	2.0%	$0
3,000	4,000	60	plus	3.0%	3,000
4,000	5,000	90	plus	4.0%	4,000
5,000	8,000	130	plus	5.0%	5,000
8,000	75,000	280	plus	5.8%	8,000
75,000	and over	4,166	plus	6.0%	75,000

7. Determine the exemption allowance by applying the following guideline and subtract this amount from the result in step 6 to compute the annual Kentucky tax withholding.

   Exemption Allowance = $20 x Number of Exemptions

8. Divide the annual Kentucky tax withholding by 26 to obtain the biweekly Kentucky tax withholding.